

Phelan Piñon Hills Community Services District

2019/2020 Budget Workshop Workshop

What is the purpose of the budget?

- The budget is a primary tool and roadmap for accomplishing the goals of the District.
 - Board Policies
 - Strategic Plan
 - Water and Parks Master Plans
 - Long Range Plans

What is the role of elected officials in developing a budget?

- The budgetary process can be effective when elected officials use it to establish the scope and direction of District services. In adopting a budget, an elected body sets out the policy and direction the District takes and establishes priorities in its efforts to deliver services to the residents.

What is the role of management?

- Management is tasked with matching available resources with service delivery needs. Including maintaining existing service levels and providing additional service levels to meet policy, goals, and state and federal mandates.
- Staff provides the estimated costs of providing the services necessary to accomplish the goals established by the Board of Directors. Revenues are largely determined by set rates and fees.

District Finances

- Revenue
- Expenses
- Capital Projects

Revenue

- Water Rates and Fees
- Property Tax
- Park and Recreation Fees
- Solid Waste Revenue



WATER

**PARKS AND RECREATION
STREET LIGHTING
SOLID WASTE
SUPPLEMENT WATER OPERATIONS**

Property tax collected from properties within the District

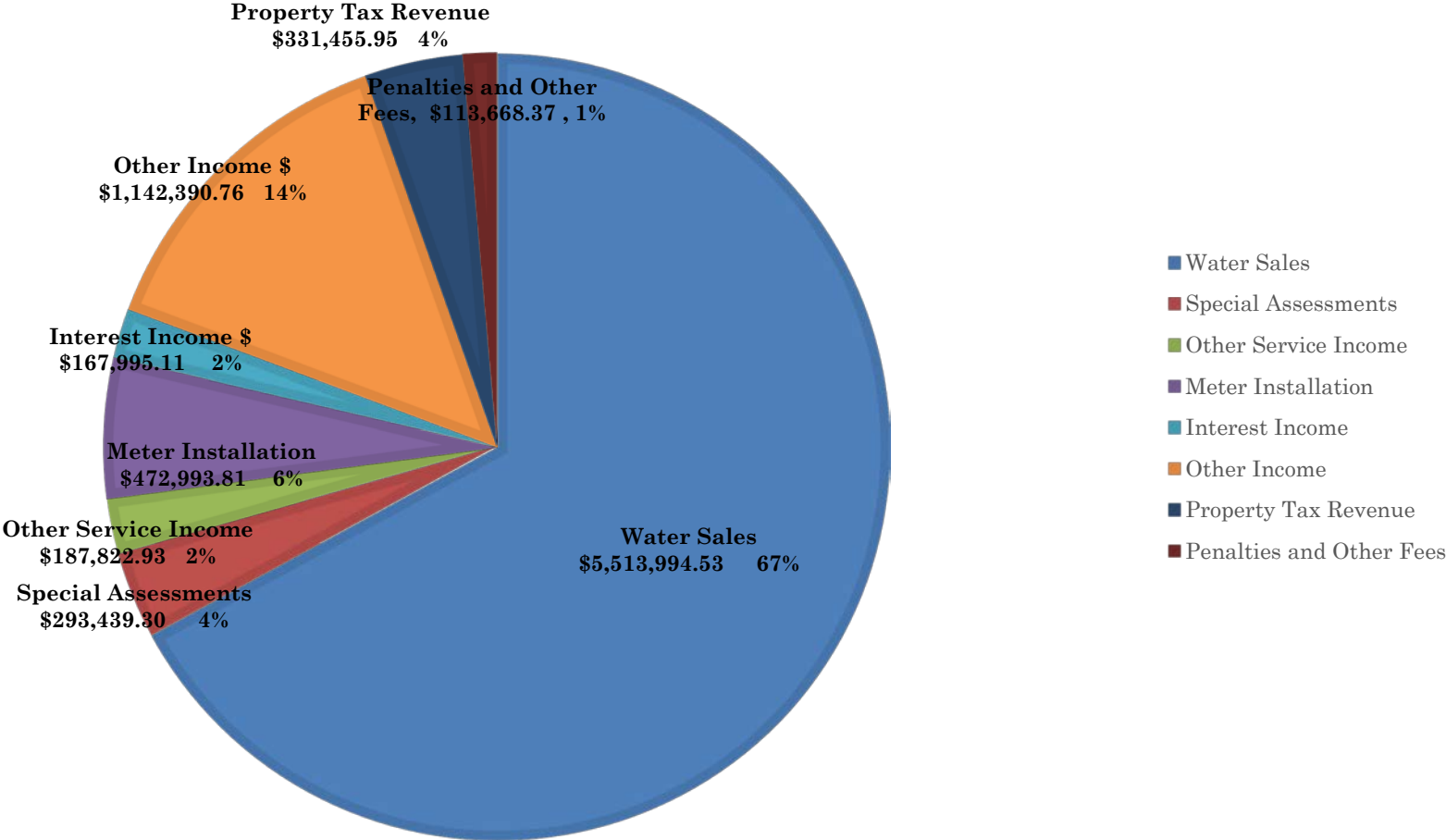


Property Tax Allocated to
other County
Departments/Districts
\$15,660,894

Property Tax Allocated to
PPHCSD
\$1,178,777

Phelan Piñon Hills CSD receives an amount equal to approximately 7 cents for every general (1%) tax dollar collected.

Enterprise Revenue

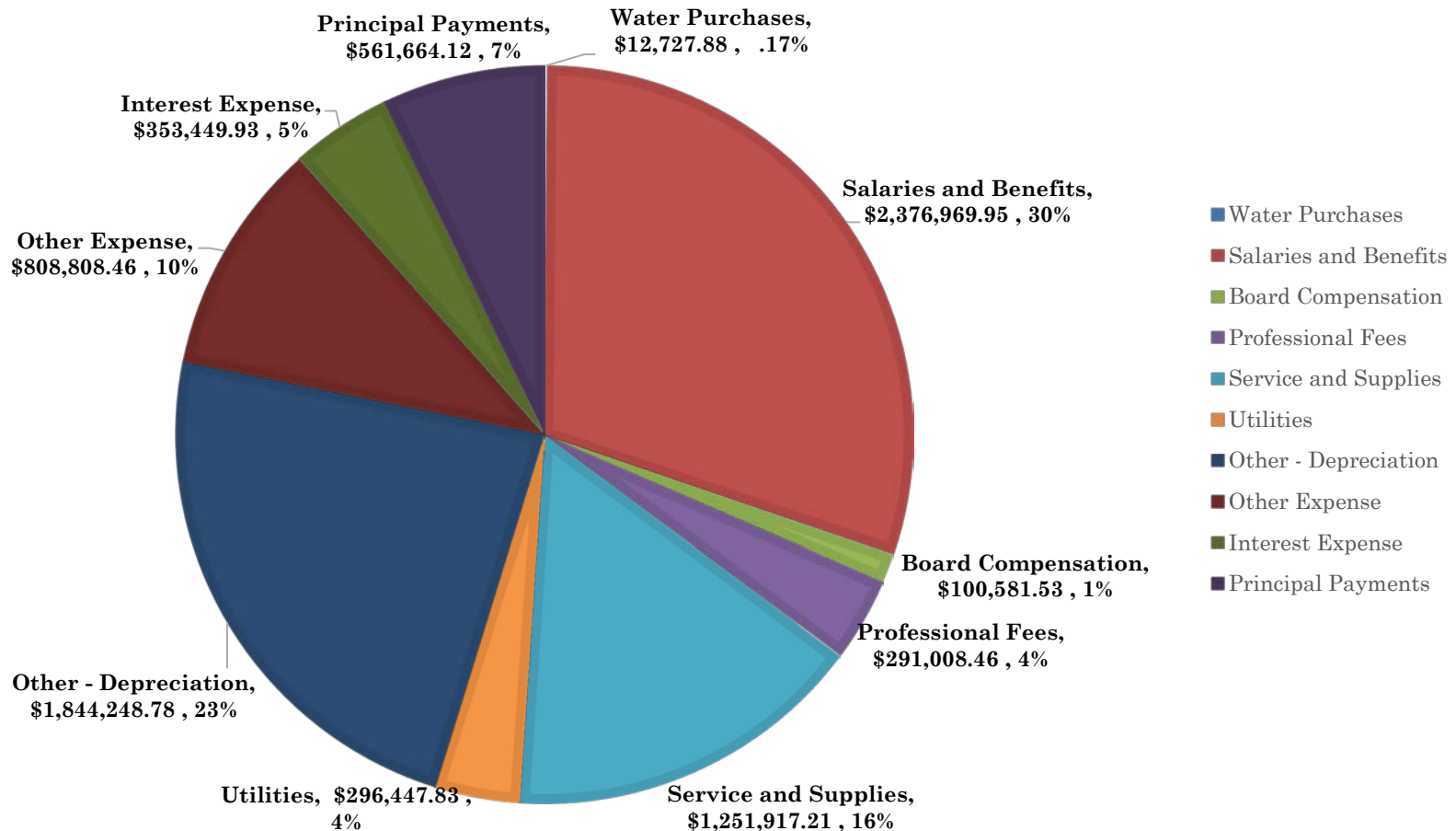


Enterprise Revenue

Water Sales	\$ 5,513,994.53
Other Income*	\$ 1,142,390.76
Meter Installation	\$ 472,993.81
Property Tax Revenue	\$ 331,455.95
Special Assessments	\$ 293,439.30
Other Service Income	\$ 187,822.93
Interest Income	\$ 167,995.11
Penalties and Other Fees	\$ 113,668.37
TOTAL	\$ 8,223,760.81

*Includes Chromium-6 surcharge revenue that is designated for Chromium-6 costs

Enterprise Fund Expense



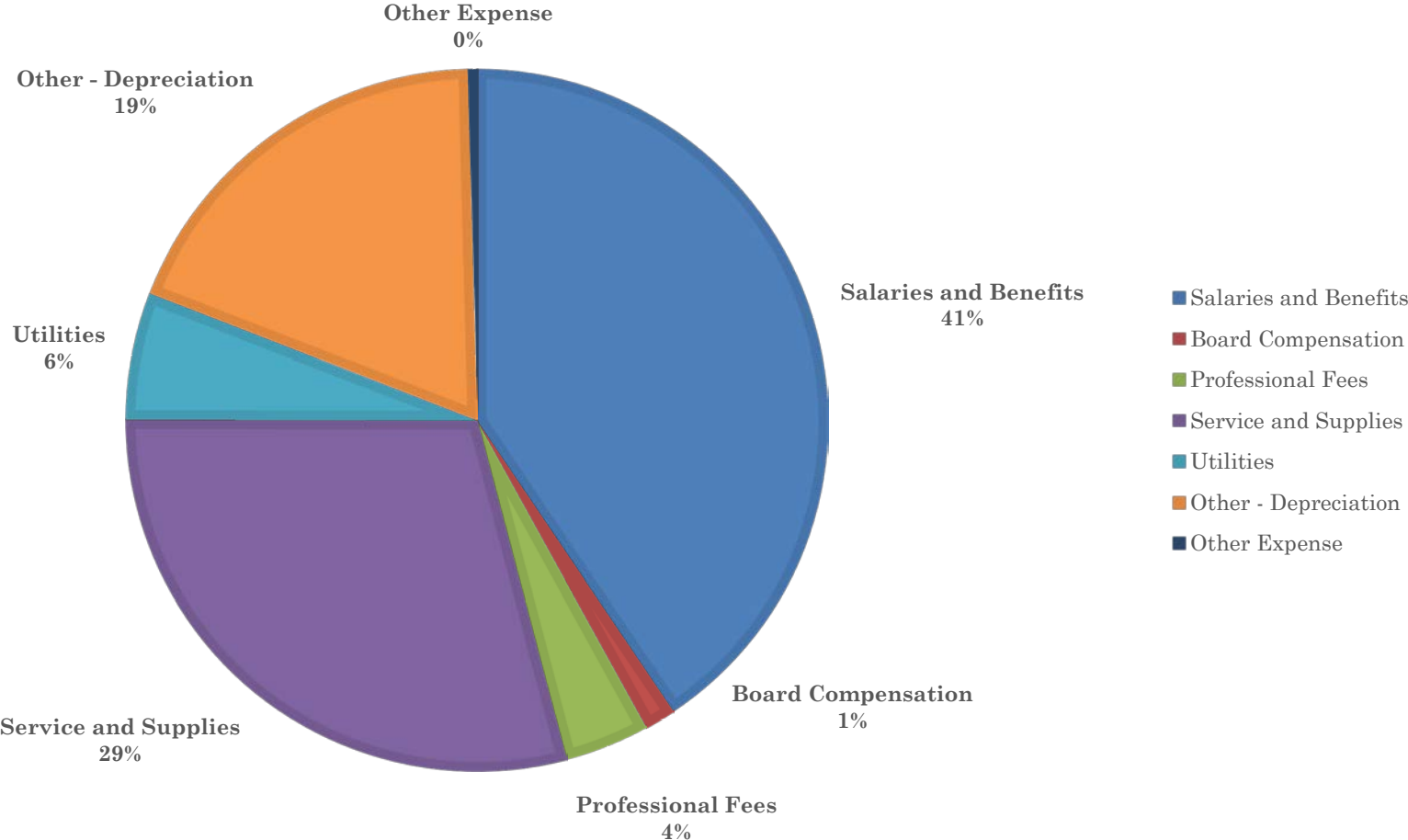
Enterprise Expenses

• Water Purchases*	\$ 12,727.88
• Salaries and Benefits	\$2,376,969.95 (Draft 2)
• Board Compensation	\$ 100,581.53
• Professional Fees	\$ 291,008.46
• Service and Supplies	\$1,251,917.21
• Utilities	\$ 296,447.83
• Other – Depreciation	\$1,844,248.78
• Other Expense**	\$ 808,808.46
• Interest Expense	\$ 353,449.93
• Principal Payments	<u>\$ 561,664.12</u>
TOTAL	\$7,336,160.03

*If we did not purchase water rights in 2012, our replacement water obligation expense would be \$762,000.

**Includes Chromium-6 costs

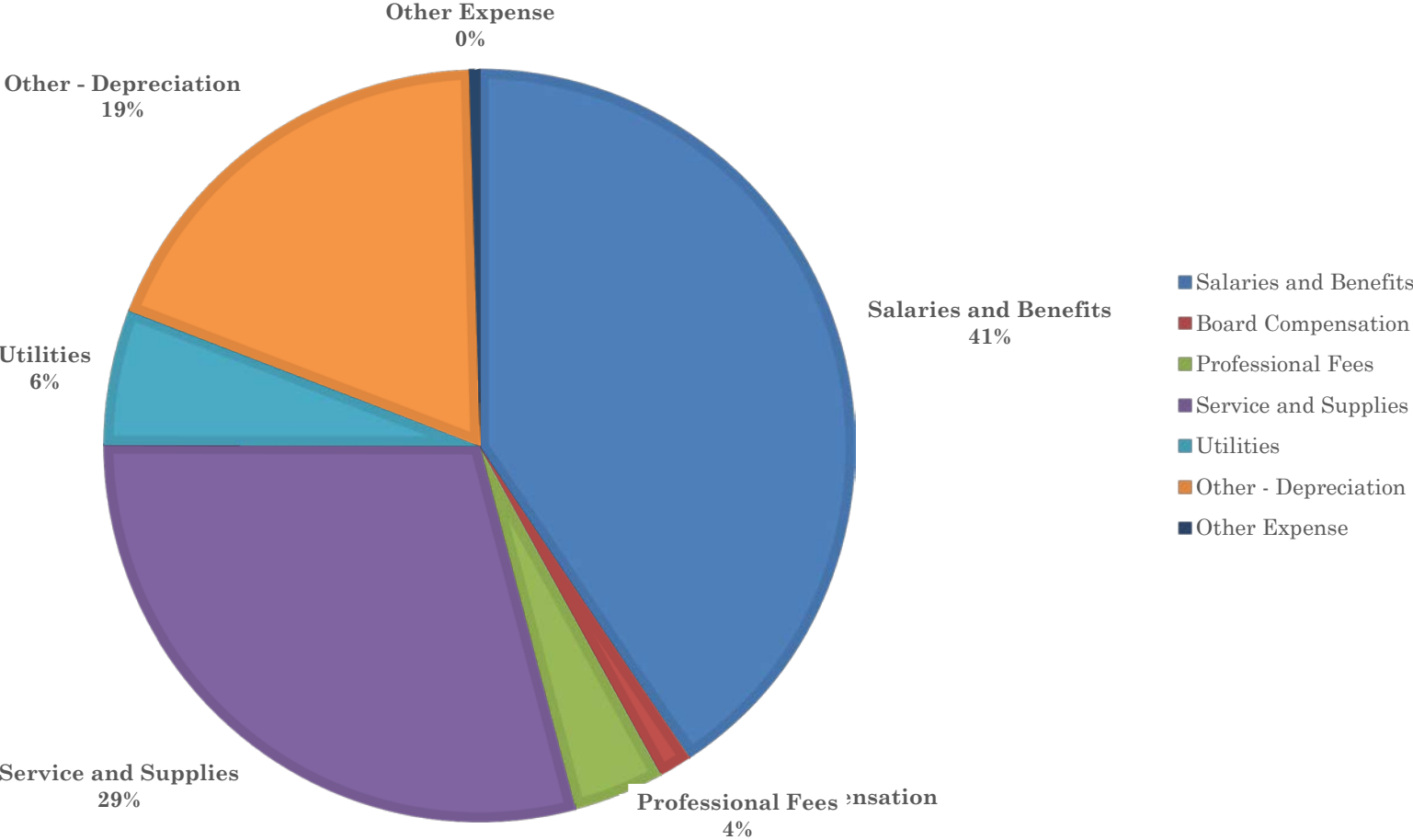
Government Fund Revenue



Government Funds Revenue

Parks and Recreation Fees	\$ 25,898.93
Solid Waste Revenue	\$ 212,845.18
Property Tax	\$ 898,174.72
Interest Income	\$ 257,514.38
Other Income	<u>\$ 2,943.23</u>
TOTAL	\$ 1,397,376.43

Government Fund Expense



Government Funds Expenses

Salaries and Benefits	\$ 251,614.21
Board Compensation	\$ 8,899.62
Professional Fees	\$ 24,232.02
Service and Supplies	\$ 180,789.88
Utilities	\$ 36,340.82
Other - Depreciation	\$ 115,938.91
Other Expense	<u>\$ 2,600.00</u>
TOTAL	\$ 620,415.47

Summary

Revenues are sufficient to cover expenses and meet Board directives to:

- Reduce Water Operations reliance on Property Tax Revenue by 10% per year
- Repay reserves for water rights loan at 10% per year
- Implement recommendations by Ad Hoc Employee Compensation & Benefits Committee: Adopt new salary ranges and move staff into range, provide COLA and merit, adjust salaries into recommended range placement, adjust District's contribution toward employee health benefits to include COLA increase